

# HOUSE BILL No. 1458

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 15-4-15.

**Synopsis:** Delinquent payment for agricultural products. Establishes a late charge that certain purchasers of agricultural products owe if the purchasers are delinquent under a contract for the purchase of an agricultural product. Specifies that the late charge is 5% of the unpaid balance for the first month of delinquency and 1% of the unpaid balance for each subsequent month of delinquency. Permits a creditor to waive the late charge if the waiver is in writing and executed after the late charge accrues.

**Effective:** July 1, 2005.

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**Woodruff**

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January 18, 2005, read first time and referred to Committee on Agriculture and Rural Development.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1458

A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 15-4-15 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 15. Delinquent Payment for Agricultural Products**

**Sec. 1. This chapter does not apply to the following:**

- (1) An agricultural cooperative under IC 15-7-1.
- (2) A processor.
- (3) A retail merchant who has a fixed place of business in Indiana, unless the retail merchant also sells an agricultural product at wholesale.
- (4) A person who purchases an agricultural product for the person's own consumption.
- (5) A handler who does not purchase an agricultural product from a producer.
- (6) A landscape architect registered under IC 25-4-2.
- (7) A person bonded under the federal Packers and Stockyards Act (7 U.S.C. 181) who is engaged in the business



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of purchasing or selling cattle.

**Sec. 2. (a) Except as provided in subsections (b) and (c), as used in this chapter, "agricultural product" means:**

- (1) an agricultural, horticultural, viticultural, or vegetable product;
- (2) poultry and poultry products;
- (3) livestock products and livestock not for immediate slaughter;
- (4) bees and apiary products;
- (5) hay;
- (6) dried beans;
- (7) honey; and
- (8) cut flowers.

**(b) The term does not include:**

- (1) timber;
- (2) a timber product;
- (3) a flower; or
- (4) a seed;

**not purchased from a producer.**

**(c) The term does not include:**

- (1) milk or a milk product subject to IC 15-2.1-23;
- (2) a product of aquaculture; or
- (3) cattle sold to a person who is bonded under the federal Packers and Stockyards Act (7 U.S.C. 181).

**Sec. 3. As used in this chapter, "aquaculture" has the meaning set forth in IC 4-4-3.8-1.**

**Sec. 4. As used in this chapter, "handler" has the meaning set forth in IC 15-4-3.5-1.**

**Sec. 5. As used in this chapter, "late charge" means the amount determined as follows:**

**(1) If the unpaid balance has been delinquent for less than thirty-one (31) days, the product of:**

**(A) the unpaid balance; multiplied by**

**(B) the product of:**

**(i) one thousand six hundred sixty-seven millionths (.001667); multiplied by**

**(ii) the number of days that the balance has been delinquent.**

**(2) If the unpaid balance has been delinquent for at least thirty-one (31) days, the amount determined under STEP THREE of the following formula:**

**STEP ONE: Determine the product of:**

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- 1 (i) the unpaid balance; multiplied by
- 2 (ii) five hundredths (.05).
- 3 **STEP TWO: Determine the product of:**
- 4 (i) the unpaid balance; multiplied by
- 5 (ii) three hundred thirty-three millionths (.000333);
- 6 multiplied by
- 7 (iii) the number of days after the thirtieth day that the
- 8 unpaid balance is delinquent.
- 9 **STEP THREE: Determine the sum of STEP ONE and**
- 10 **STEP TWO.**
- 11 **Sec. 6. "Processor" has the meaning set forth in IC 15-4-3.5-1.**
- 12 **Sec. 7. "Producer" has the meaning set forth in IC 15-4-3.5-1.**
- 13 **Sec. 8. (a) Except as provided in subsection (b), a person who**
- 14 **owes a delinquent unpaid balance under a contract for the**
- 15 **purchase of an agricultural product shall pay the creditor a late**
- 16 **charge.**
- 17 **(b) The creditor may waive the late charge if the waiver is:**
- 18 **(1) in writing; and**
- 19 **(2) executed after the late charge accrues.**
- 20 **(c) This chapter does not affect the time of payment established**
- 21 **in a contract for the purchase of an agricultural product.**

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